

GOSSAN RESOURCES LIMITED

404 - 171 Donald Street
Winnipeg, Manitoba
Canada R3C 1M4
(GSS TSX-Venture)
(GSR Frankfurt/Freiverkehr)

Phone: (204) 943-1990
Toll Free: (800) 462-4283
Fax: (204) 942-3434
E-mail: info@gossan.ca
Website: www.gossan.ca

NEWS RELEASE 04-12

Gossan Awards Incentive Stock Options

December 2, 2004 – **Gossan Resources Limited** (GSS-TSX.V & GSR-Frankfurt/Freiverkehr) has awarded 380,000 incentive stock options to officers and directors of the Company. This award is in compliance with the terms of the Company's Stock Option Plan and is composed of two tranches. The short-term tranche of 220,000 stock options is exercisable into common shares at \$0.30 per share for a term of 18 months, expiring May 31, 2006, and the mid-term tranche of 160,000 stock options is exercisable into common shares at \$0.35 per share for a term of 39 months, expiring February 28, 2008. The award of these stock options remains subject to the acceptance of the TSX Venture Exchange.

The Board of Directors would also like to express their appreciation for the service of Jim May who has resigned as a Director. Mr. May, a US-resident, expressed confidence in the Company's projects and will be, on an on-going basis, available to lend his expertise as a consultant to the Inwood Magnesium Project as it develops.

Gossan Resources Limited is engaged in mineral exploration in Manitoba and northwestern Ontario. It has a well-diversified portfolio of properties hosting gold, platinum group and base metals, as well as the specialty metals, tantalum, chromium, titanium and vanadium. The Company also has a large deposit of magnesium-rich dolomite and a silica sand prospect. Gossan trades on the TSX Venture and the Frankfurt/Freiverkehr & Xetra Exchanges and has 15,296,124 shares outstanding (16,746,124 shares fully diluted).

For further information please contact: Douglas Reeson, Chairman & CEO
Gossan Resources Limited
Tel: (204) 943-1990

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.